

STATEMENT OF PURPOSE

RS23649

The bill excludes consumer operated and oriented health plans (CO-OPs) established under the Affordable Care Act (ACA) from coverage by the Idaho Life and Health Insurance Guaranty Association. CO-OPs are unique entities created under a special provision of the ACA, and are similar to other entities that are already excluded from Idaho's guaranty association. CO-OPs are eligible for funding from the federal government to cover costs associated with start-up and operations. The bill also adds wording found in the NAIC Model Life and Health Insurance Guaranty Association Act that permits the guaranty association to exclude from membership entities that are similar to entities excluded by the law.

FISCAL NOTE

There is no direct impact to the General Fund; however, if a CO-OP were to fail in Idaho, this legislation would result in a savings to the General Fund to the extent insurers would have offset from their premium tax liabilities any guaranty association assessments that would have been made if the CO-OP had been a member of the guaranty association.

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